

EDMUND G. BROWN JR.
GOVERNORMATTHEW RODRIGUEZ
SECRETARY FOR
ENVIRONMENTAL PROTECTION**Los Angeles Regional Water Quality Control Board**

August 7, 2013

Mr. Ron Yeager
Environmental Health and Safety
Barry Controls
4510 West Vanowen Street
Burbank, California 91505

CERTIFIED MAIL
RETURN RECEIPT REQUESTED
7012 3460 0001 6365 8134

SUBJECT: SITE CLEANUP PROGRAM OVERSIGHT COST REIMBURSEMENT ACCOUNT

SITE: BARRY CONTROLS
4140, 4200, 4320, 4400, 4406 WEST VANOWEN STREET AND 2323 VALLEY STREET,
BURBANK, CALIFORNIA (FILE NO. 104.1680)

Dear Mr. Yeager:

The California Regional Water Quality Control Board (Regional Board), Los Angeles Region, is the public agency with primary responsibility for the protection of ground and surface water quality for all beneficial uses within major portions of the Los Angeles and Ventura Counties, including the referenced site.

The Regional Board is currently investigating the referenced Site as part of the United States Environmental Protection Agency (USEPA) San Fernando Valley Superfund Site. Regional Board case files for the properties located at 4140, 4200, 4320, 4400, and 4406 West Vanowen Street and 2323 Valley Street, in the City of Burbank, California (the Site) indicate that Barry Controls has occupied the Site since approximately 1967. Barry Controls' operations at the Site include metal finishing and manufacturing of shock, vibration and isolation systems for the aerospace and defense sectors. Regional Board case files state that chromium containing compounds, including Oakite ChromiCoat, are used and stored as part of Barry Controls' operations at the Site. The operations conducted by the Barry Controls facility have potentially impacted the subsurface and degraded the groundwater quality and beneficial uses of the State's waters.

Section 13304 of the California Water Code (Porter Cologne Act) allows the Regional Board to recover reasonable expenses from a responsible party or parties for overseeing the investigation and cleanup of unregulated discharges adversely affecting the State's waters. In compliance with Section 13365 of the California Water Code, this letter is being sent to provide you the following information regarding costs for regulatory oversight work.

MARIA MEHRANIAN, CHAIR | SAMUEL UNGER, EXECUTIVE OFFICER

320 West 4th St., Suite 200, Los Angeles, CA 90013 | www.waterboards.ca.gov/losangeles

I. Estimate of Work to be Performed

The Regional Board staff estimates that during the Regional Board's 2013/2014 fiscal year (July 1, 2013 to June 30, 2014), regulatory oversight work may include, but is not limited to, the following tasks to be performed at the site:

1. Review technical reports and determine if the contamination sources and plumes are fully delineated vertically and laterally;
2. Request and review of additional assessment workplans and reports, detailed remediation design and installation plan, progress and monitoring reports, risk assessment workplans and reports, and other technical reports as necessary;
3. Prepare comment letters on various reports and communicate findings to responsible parties;
4. Conduct site inspections, collect split samples, and attend meetings with environmental consultant and responsible parties; and
5. Conduct internal and external communication (i.e. meetings, memos) about or related to the site.

II. Statement of Expected Outcome

The expected outcome of work that will be performed includes providing written comments on the submitted reports and workplans, verifying the adequacy of reports, and determining the need to further investigate the impact to soil and groundwater as well as risk to human health and environment, and responding to public inquiries about site investigations and cleanups as needed.

III. Billing Rate

Attached are the Site Cleanup Program, Monthly Salary Scales by Job Classification (Attachment 1) for employees expected to perform the work and the Reimbursement Process for Regulatory Oversight (Attachment 2). The names and classifications of employees that charge time to this site will be listed on the invoices. The average billing rate is about \$150.00 per hour.

IV. Estimation of Expected Charges

1. Regional Board staff expects to charge approximately 60 hours for work related to this site during fiscal year 2013/2014. Based on the average billing rate of \$150.00 per hour, the estimated billing charge by the Regional Board staff for this site during this fiscal year is about \$9,000, which does not include possible contract charges stated in B (below). **Please note that this is neither a commitment nor a contract for regulatory oversight. It is only an estimate of the work, which may be performed.**
2. To better evaluate the potential health risk from the detected or residual contaminants posed to the current/future occupants of the site and the immediate site vicinity, the Regional Board has established a contract with the State Office of Environmental Health Hazard Assessment (OEHHA), to have their toxicologists review the submitted health risk assessment reports. OEHHA will review, evaluate if appropriate, and provide comments on risk assessment reports. When requested,

OEHHA toxicologists will provide the Regional Board consultation services on issues concerning human health and/or environmental risks.

Under the Cost Recovery Program, the responsible party is required to reimburse the Regional Board for the cost incurred by OEHHA review. Occurred charges by OEHHA staff will be included in our invoices under the contract charges category. All quarterly invoices generated for this project will be sent to your provided billing contact by the Site Cleanup Program, State Water Resources Control Board.

V. Landowner Notification and Participation Requirements

Pursuant to California Water Code section 13307.1, the Regional Board is required to notify all current fee title holders for the subject site prior to considering corrective action or granting case closure. Therefore, you are required to provide the name, mailing and e-mail addresses, and telephone number for all record fee title holders for the site together with a copy of county record of current ownership, available from the County Recorder's Office, or complete the attached Certification Declaration Form (Attachment 3) and submit it to our office.

Please sign and return the enclosed landowner's information (Attachment 3) and "Acknowledgment of Receipt of Cost Reimbursement Account Letter" (Attachment 4) to Ms. Luz Rabelo (case manager) of the Regional Board by **August 20, 2013**.

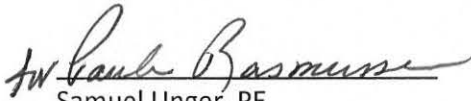
VI. Other Requirements

1. **Change of Ownership:** You must notify the Executive Officer, in writing at least 30 days in advance of any proposed transfer of this cost reimbursement account's responsibility to a new owner containing a specific date for the transfer. In addition, you shall notify the succeeding owner of the existence of this cost reimbursement account by letter, copy of which shall be forwarded to the Board.
2. **Public Participation:** With increased public interest in our programs and the public knowledge of threat to human health and the environment, the Regional Board has increased efforts to get the public more involved in our decision making process. The Regional Boards are also required to involve the public in site cleanup decisions under State law (including Health & Safety Code section 25356.1 and California Water Code sections 13307.5 and 13307.6). You may be required to prepare and implement a public participation plan. Regional Board staff will provide you with additional guidance as appropriate.
3. **Electronic Submittals:** In September 2004, the State Water Resources Control Board adopted regulations (Chapter 30, Division 3 of Title 23 & Division 3 of Title 27, California Code of Regulation) requiring the electronic submittal of information (ESI) for all site cleanup programs, starting January 1, 2005. Currently, all of the information on electronic submittals and GeoTracker contacts can be found at http://www.waterboards.ca.gov/ust/electronic_submittal.

To comply with the above referenced regulation, you are required to upload all technical reports, documents, and well data to GeoTracker by the due dates specified in the Regional Board letters and orders issued to you or for the site. However, we may request that you submit hard copies of selected documents and data to the Regional Board in addition to electronic submittal of information to GeoTracker.

Should you have any questions related to this project, please contact Ms. Luz Rabelo via telephone at (213) 576-6783 or via email at luz.rabelo@waterboards.ca.gov.

Sincerely,

A handwritten signature in cursive script, appearing to read "Samuel Unger", written over a horizontal line.

Samuel Unger, PE
Executive Officer

Enclosures:

- Attachment 1 - Monthly Salary Scales by Job Classification
- Attachment 2 - Reimbursement Process for Regulatory Oversight
- Attachment 3 - Certification Declaration Form
- Attachment 4 - Acknowledgment of Receipt of Cost Reimbursement Account Letter

SITE CLEANUP PROGRAM (SCP)
BILLING COST EXPLANATION

<u>Employee Salary and Benefits by Classification</u> ¹	<u>ABR</u>	<u>SALARY SCALE</u>
5396 - Associate Governmental Program Analyst (Statewide)	AGPA	6,116 – 7,434
3756 - Engineering Geologist (SWRCB)	EG	6,405 – 11,707
0760 - Environmental Program Manager I (Managerial) (SWRCB)	EPMIM	9,645 – 10,634
0756 - Environmental Program Manager I (Supervisory) (SWRCB)	EPMIS	8,722 – 10,529
0769 - Environmental Program Manager II (SWRCB)	EPMII	11,128 – 12,274
0762 - Environmental Scientist (SWRCB)	ES	4,277 – 7,938
1441 - Office Assistant (General) (Statewide)	OA	2,883 – 3,850
1441 - Office Assistant (Typing) (Statewide)	OA	2,979 – 3,928
1138 - Office Technician (General) (Statewide)	OT	3,667 – 4,461
1138 - Office Technician (Typing) (Statewide)	OT	3,734 – 4,537
3255 - Principal Water Resources Control Engineer (SWRCB)	PWRCE	13,680 – 15,086
3826 - Sanitary Engineering Associate (Statewide)	SEA	6,894 – 8,378
3782 - Sanitary Engineering Technician (Statewide)	SET	4,748 – 6,625
3261 - Senior Engineering, Water Resources (DWR)	SWRE	10,254 – 13,680
3751 - Senior Engineering Geologist (Statewide)	SEG	11,290 – 13,719
0764 - Senior Environmental Scientist (SWRCB)	SRES	7,576 – 9,143
3844 - Senior Water Resources Control Engineer (SWRCB)	SWRCE	11,290 – 13,719
5778 - Staff Counsel (Statewide)	STCOUN	6,497 – 10,881
5795 - Staff Counsel III (Statewide)	STCOUNIII	10,678 – 13,174
5780 - Staff Counsel IV (Statewide)	STCOUNIV	11,796 – 14,563
0765 - Staff Environmental Scientist (SWRCB)	SES	7,569 – 9,139
4870 - Student Assistant (Statewide)	SA	2,027 – 2,698
4871 - Student Assistant Engineer (Statewide)	SAE	2,783 – 4,164
3748 - Supervising Engineering Geologist (Statewide)	SUEG	11,255 – 13,680
3849 - Supervising Water Resources Control Engineer (SWRCB)	SUWRCE	11,255 – 13,680
3846 - Water Resources Control Engineer (SWRCB)	WRCE	6,405 – 11,647

Operating Expenses and Equipment² (both Headquarters and Regional Board offices)

Indirect Costs (Overhead – cost of doing business) 120%

Billing Example

Water Resources Control Engineer

Salary:	\$	11,647
Overhead (indirect costs):	\$	<u>13,976</u>
Total Cost per month	\$	25,623

Divided by 176 hours per month equals per hour: \$ 145.59

(Due to the various classifications that expend SCP resources. An average of \$ 150.00 per hour can be used for projection purposes.)

¹ The name and classification of employees performing oversight work will be listed on the invoice you receive.

² The examples are estimates based on recent billings. Actual charges may be slightly higher or lower.

REIMBURSEMENT PROCESS FOR REGULATORY OVERSIGHT

We have identified your facility or property as requiring regulatory cleanup oversight. Pursuant to the Porter-Cologne Water Quality Control Act, reasonable costs for such oversight can be recovered by the Regional Water Quality Control Board (RWQCB) from the responsible party. The purpose of the enclosure is to explain the oversight billing process structure.

INTRODUCTION

The Porter-Cologne Water Quality Control Act authorizes the State Water Resources Control Board (SWRCB) to set up Cost Recovery Programs. The Budget Act of 1993 authorized the SWRCB to establish a Cost Recovery Program for Site Cleanup Program (SCP). The program is set up so that reasonable expenses incurred by the SWRCB and RWQCBs in overseeing cleanup of illegal discharges, contaminated properties, and other unregulated releases adversely impacting the State's waters can be reimbursed by the responsible party. Reasonable expenses will be billed to responsible parties and collected by the Fee Coordinator at the SWRCB in the Division of Financial Assistance (DFA).

THE BILLING SYSTEM

Each cost recovery account has a unique Site ID number assigned to it. Whenever any oversight work is done, the hours are entered into the SCP Cost Recovery/daily logs database. The cost of the staff hours is calculated by the State Accounting System based on the employee's salary and benefit rate and the SWRCB overhead rate.

SWRCB and RWQCB Administrative charges for work such as accounting, billing preparation, general program meetings and program specific training cannot be charged directly to an account. This work will be charged to Administrative accounting codes one per Region. The Accounting Office totals these administrative charges for the billing period and distributes them back to all of the accounts based on the number of hours charged to each account during that billing period. These charges show as State Board Program Administrative Charges and Regional Board Program Administrative Charges on the Invoice.

The current billing period charges will include associated labor costs, risk assessment contract charges, overhead charges, SWRCB/DFA Administrative charges, and RWQCB Administrative charges. The overhead charges are based on the number of labor hours charged to the account. The overhead charges consist of rent, utilities, travel, supplies, training, and accounting services. Most of these charges are paid in arrears. The Accounting Office keeps track of these charges and distributes them back monthly to only those accounts having Labor hours charged to them for the period being billed. No site will be billed for overhead during a billing period unless Labor hours have been posted to the RWQCB employee's daily logs residing in the SCP Cost Recovery database.

Invoices are issued quarterly, one quarter in arrears. If a balance is owed, a check is to be remitted to the SWRCB with the invoice remittance stub within 30 days after receipt of the invoice. The Fee Coordinator inputs a record of all checks received directly or by the Accounting Office on a daily basis.

Copies of the invoices are sent to the appropriate RWQCBs so that they are aware of the oversight work invoiced. Questions regarding the work performed should be directed toward your RWQCB case worker.

DISPUTE RESOLUTION

If a dispute regarding oversight charges cannot be resolved with the RWQCB, Section 13320 of the California Water Code provides a process whereby persons may petition the SWRCB for review of RWQCB decisions. Regulations implementing Water Code Section 13320 are found in the Title 23 of the California Code of Regulations, Section 2050.

DAILY LOGS

A detailed description (daily log) of the actual work being done at each specific site is kept by each employee in the Regional Water Board who works on the cleanup oversight at the property. This information is provided on the quarterly invoice using standardized work activity codes to describe the work performed. *Upon request, a more detailed description of the work performed is available from the RWQCB staff.*

REMOVAL FROM THE BILLING SYSTEM

After the cleanup is complete, the RWQCB will submit a closure form to the SWRCB to close the account. If a balance is due, the Fee Coordinator will send a final billing for the balance owed. The responsible party should then submit a check to the SWRCB to close the account.

AGREEMENT

No cleanup oversight will be performed unless the responsible party of the property has agreed in writing to reimburse the State for appropriate cleanup oversight costs and submitted to the RP. You may wish to consult an attorney in this matter. As soon as the letter is received, the account will be added to the active Site Cleanup program Cost Recovery billing list and oversight work will begin.



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ATTACHMENT 3

CERTIFICATION DECLARATION FOR COMPLIANCE WITH FEE TITLE HOLDER NOTIFICATION REQUIREMENTS (California Water Code Section 13307.1)

Please Print or Type

Fee Title Holder(s): _____

Mailing Address: _____

Contact Person: _____

Telephone Number/E-mail: _____

Site Name: _____

Address: _____

County Assessor Parcel Number (APN): _____

Contact Person: _____

Telephone Number/E-mail: _____

File Number: _____

"I certify under penalty of law that this document and all attachments were prepared under my direction or supervision in accordance with a system designed to assure that qualified personnel properly gather and evaluate the information submitted. Based on my inquiry of the person or persons who manage the system, or those persons directly responsible for gathering the information, the information submitted is, to the best of my knowledge and belief, true, accurate, and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment for knowing violations." (See attached page for who shall sign the Certification Declaration).

Printed Name of Person Signing

Official Title

Signature

Date Signed

MARIA MEHRANIAN, CHAIR | SAMUEL UNGER, EXECUTIVE OFFICER

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The certification declaration form must be signed as follows:

1. For a corporation - by a responsible corporate officer, which means; (i) by a president, secretary, treasurer, or vice president of the corporation in charge of a principal business function, or any other person who performs similar policy of decision making functions for the corporation, or (ii) the manager of one or more manufacturing, production, or operating facilities employing more than 250 persons or having gross annual sales or expenditures exceeding \$25 million, if authority to sign documents has been assigned or delegated to the manager in accordance with corporate procedures.
2. For a partnership or sole proprietorship – by a general partner or the proprietor respectively.
3. For a municipality, state, federal, or public agency - by either a principal executive officer or ranking elected official. A principal executive officer of a federal agency includes (i) the chief executive officer of the agency or (ii) a senior executive officer having responsibility for the overall operations or a principal geographic unit.



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ATTACHMENT 4

ACKNOWLEDGEMENT OF RECEIPT OF OVERSIGHT COST REIMBURSEMENT ACCOUNT LETTER

I, _____, acting within the authority vested in me as an authorized representative of _____

_____, a corporation, acknowledge that I have received and read a copy of the attached *REIMBURSEMENT PROCESS FOR REGULATORY OVERSIGHT* and the cover letter dated **August 7, 2013**, concerning cost reimbursement for Regional Board staff costs involved with oversight of the investigation and cleanup and abatement efforts at the **Barry Controls** facility in Los Angeles County. The site address' are 4140, 4200, 4320, 4400, 4406 West Vanowen Street and 2323 Valley Street, Burbank, California.

I understand the reimbursement process and billing procedures as explained in the letter. Our company is willing to participate in the cost recovery program and pay all subsequent billings in accordance with the terms in your letter and its attachments, *and to the extent required by law*. I also understand that signing this form does not constitute any admission of liability, but rather only intent to pay for costs associated with oversight, *as set forth above, and to the extent required by law*. Billings for payment of oversight costs should be mailed to the following individual and address:

BILLING COMPANY _____

BILLING CONTACT _____

BILLING ADDRESS _____

TELEPHONE NO. _____ E-MAIL _____

RESPONSIBLE PARTY SIGNATURE _____
(Signature)

(Title)

DATE: _____

SCP or WIP NO. 104.1680

SITE ID NO.

MARIA MEHRANIAN, CHAIR | SAMUEL UNGER, EXECUTIVE OFFICER

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